

2025 Year-End Financial Update

Council Meeting: April 14, 2026



PORT COLBORNE

2025 Year-End Financial Update

In preparing the **2025 Year-End Surplus and Project Closeout Report**, certain assumptions and estimates are necessary.

They are based on information available to staff at the time.

Actual results will vary although, as regulated through the Municipal Act, a **balanced budget is required**.



Agenda

- 1 Recommendations
- 2 2025 Operating Results
- 3 Capital and Related Project Update
- 4 Reserve Summary
- 5 Debt Summary
- 6 Recommendations

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Recommendations

- That Corporate Service Department, Financial Services Division, Report 2026-49 Subject: 2025 Year End Surplus and Project Close Out, **BE RECEIVED**; and
- That the year-end levy surplus **BE ALLOCATED** to the City's General Stabilization Reserve (\$116,277), Working Capital Reserve (\$26,543), and Tangible Capital Assets Reserve (\$312,551); and
- That the reserve transfers recommended in Report 2026-49 **BE APPROVED**; and
- That the capital and related project and reserve balances of Appendices E, F and G of Corporate Service Department Report 2026-49, **BE APPROVED**.



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- Vision, Mission, & Corporate Values
- Alignment with the Strategic Plan
- Levy
- Revenue
- Expenses
- Transfers (to)/from Reserves
- Self-Sustaining Entities (SSE)
- Rates

Vision, Mission & Corporate Values

Vision Statement:

A healthy and vibrant waterfront community embracing growth for future generations.

Mission Statement:

To provide an exceptional small-town experience in a big way.

Corporate Values

- **Integrity** – We interact with others ethically and honourably
- **Respect** – We treat each other with empathy and understanding
- **Inclusion** – We welcome everyone
- **Responsibility** – We make tomorrow better
- **Collaboration** – We are better together



Alignment with the Strategic Plan



**Environment
& Climate
Change**



**Welcoming,
Livable &
Healthy
Community**



**Economic
Prosperity**



**Increased
Housing
Options**



**Sustainable
& Resilient
Infrastructure**

PEOPLE  **SIMPLE**  **VALUE**  **CUSTOMER**

Levy

Levy	Actual	Budget	Net
Revenue	47,578,598	39,465,389	8,113,209
Personnel Expense	(18,631,367)	(18,438,344)	(193,023)
Operating Expense	(15,627,353)	(16,114,215)	486,862
Surplus before Transfers	13,319,877	4,912,830	8,407,047
Transfer (to)/from Related Companies	(850,981)	(919,825)	68,844
Transfer (to)/from Reserves	357,040	(1,401,773)	1,758,813
Transfer (to)/from Funds (Rates)	8,984,206	7,604,868	1,379,338
Transfer (to)/from Funds (Capital)	(21,354,772)	(10,196,100)	(11,158,672)
Surplus/(Deficit)	455,371	-	455,371
Recommended Transfers	(455,371)	-	(455,371)
Surplus/(Deficit)	-	-	-

Recommendation

Transfer surplus to:

- General Stabilization Reserve (\$116,277)
- Working Capital Reserve (\$26,543)
- Tangible Capital Assets Reserve (\$312,551)

Revenue

Levy	Actual	Budget	Net
Revenue	47,578,598	39,465,389	8,113,209

Grant Revenue Variances

- Housing Accelerator Fund – **\$2,481,001**
- Investing in Canada Infrastructure Program (ICIP) Green Stream – **\$2,207,717**
- Southwestern Ontario Development Fund (SWODF) – **\$885,959**
- Investing in Canada Infrastructure Program (ICIP) Public Transit Stream – **\$317,277**
- Canada Community Revitalization Fund (CCRF) – **\$187,498**
- Strategic Priorities Infrastructure Fund (SPIF) – **\$162,471**
- Tourism Growth Program – **\$110,369**

Revenue

Levy	Actual	Budget	Net
Revenue	47,578,598	39,465,389	8,113,209

Other Revenue Variances

- Vale Community Improvement Fund Donation – **\$733,551**
- Penalties and Interest – **\$320,279**
- Land Sales – **\$260,297**
- Proceeds from 2018 tax sale – **\$153,020**
- Bylaw fines – **\$117,525**

Personnel Expenses

Levy	Actual	Budget	Net
Personnel Expense	(18,631,367)	(18,438,344)	(193,023)

Personnel expenses are 1.0% above budget.

Salient Drivers

- Resourcing Healthcare initiatives
- Efficiency realignment in the Planning Department

Operating Expenses

Levy	Actual	Budget	Net
Operating Expense	(15,627,353)	(16,114,215)	486,862

Favourable Expense Variances

- Cost of Borrowing* – **\$1,010,211** Debt budgeted but currently funded through internal financing
- Reassessment/Uncollectible – **\$248,270** Less than budgeted property re-assessments
- CIP Incentives** – **\$148,881** Timing of grants related to Community Improvement Plan
- Physician Recruitment** – **\$109,125** Timing of grants related to physician recruitment

* Budgeted debt payments will be applied against related project budgets to reduce borrowing requirements.

** These funds have been encumbered for future use.

Operating Expenses

Levy	Actual	Budget	Net
Operating Expense	(15,627,353)	(16,114,215)	486,862

Unfavourable Expense Variances

- Canal Days* - **\$207,172**
 - Fire Department - **\$207,110**
 - Planning – Consulting Services - **\$153,694**
 - Environmental services** - **\$126,276**
 - Environmental Fine*** - **\$80,000**
 - Healthcare Initiative Expenses**** - **\$74,844**
- Security and program supplies, budget adjusted going forward
 Costs to update Personal Protective Equipment and truck repairs
 Consultant support for position gapping and clearing backlog
 Environmental assessments of City-owned properties
 Nickel Beach Ministry of the Environment settlement
 Consulting reports and public consultation

* Partially offset by additional sponsorship and concession revenue of \$107,752
 ** Partial recovery from future land sales
 *** Funded from Beach Reserve
 **** Funded by Encumbrance Reserve

Building

Building	Actual	Budget	Net
Revenue	1,155,652	925,972	229,680
Personnel Expense	(393,278)	(609,100)	215,823
Operating Expense	(34,483)	(79,120)	44,637
Surplus before Transfers	727,891	237,752	490,139
Allocations: (In)/Out	(165,128)	(237,752)	72,624
Transfer (to)/from Reserves	-	-	-
Surplus/(Deficit)*	562,763	-	562,763

* Surplus transferred to Building Reserve.

Building department surplus is primarily the result of:

- Increased revenue from building permits related to major construction projects (Asahi Kasei)
- Personnel savings from vacant positions
- Overall operating expense savings

Marina

Marina	Actual	Budget	Net
Revenue	1,322,957	1,466,700	(143,743)
Personnel Expense*	(304,795)	-	(304,795)
Operating Expense	(498,844)	(490,257)	(8,587)
Surplus before Transfers	519,318	976,443	(457,125)
Allocations: (In)/Out**	(547,387)	(964,043)	416,656
Transfer (to)/from Reserves	(12,400)	(12,400)	-
Surplus/(Deficit)***	(40,469)	-	(40,469)

* Personnel budgeted in Recreation. Part-time staff booked direct to Marina in actuals.

** Includes allocation of Personnel Expense from Recreation as well as Corporate Administrative support allocations.

*** Deficit funded from Marina Reserve.

Marina deficit is primarily the result of:

- Lower than budgeted revenues offset by lower than budgeted Corporate Administrative support allocations.

Beach

Beach	Actual	Budget	Net
Revenue	241,426	291,000	(49,574)
Personnel Expense*	(109,292)	-	(109,292)
Operating Expense	(148,227)	(102,200)	(46,027)
Surplus before Transfers	(16,093)	188,800	(204,893)
Allocations: (In)/Out**	(262,760)	(327,944)	65,184
Transfer (to)/from Reserves***	80,000	-	80,000
Surplus/(Deficit)***	(198,852)	(139,144)	(59,708)

* Personel budgeted in Recreation. Part-time staff booked direct to Beach in actuals.

** Includes allocation of Personnel Expense from Recreation as well as Corporate Administrative support allocations.

***Transfer to fund environmental fine from Ministry of the Environment included in the Operating Expense line.

**** Deficit funded from Levy surplus.

Beach deficit is the result of:

- Lower than budgeted revenues and higher than budgeted Corporate Administrative support allocations.

Note: Consistent with the approach taken in the 2026 Budget, Corporate Administrative support costs are now fully allocated. Previous allocation methodology did not allocate costs completely, leaving some costs unallocated. Based on costs drivers, some allocated costs may have increased whereas others may have decreased.

Cemetery

Cemetery	Actual	Budget	Net
Revenue	70,713	74,000	(3,287)
Personnel Expense*	-	-	-
Operating Expense	(23,470)	(15,800)	(7,670)
Surplus before Transfers	47,243	58,200	(10,957)
Allocations: (In)/Out**	(47,243)	(58,200)	10,957
Surplus/(Deficit)	-	-	-

* Personnel budgeted in Parks.

** Does not include allocation of Parks Personnel Expenses.

While the results for the Cemetery are relatively balanced, minor shortfalls in revenue and operating expenses resulted in \$10,957 more being subsidized by the levy than budgeted.

SSE Reserve Balances and Forecast

Department	2025 Year End Balance	2026 Budget	2026 Forecast Balance
Cemetery	150,600	-	150,600
Marina	(990,333)	(14,000)	(1,004,333)
Beach Operations	118,165	-	118,165
Building	1,152,841	(53,000)	1,099,841
Total	431,273	(67,000)	364,273

SSE = Self-Sustaining Entities

Water

Water	Actual	Budget	Net
Revenue	6,943,164	6,783,700	159,464
Personnel Expense*	(1,351,923)	(1,343,300)	- 8,623
Operating Expense	(3,669,002)	(3,444,760)	(224,242)
Surplus before Transfers	1,922,238	1,995,640	(73,402)
Allocations: Within Departments**	805,980	805,980	-
Transfer from Reserves	371,100	371,100	-
Transfer to Reserves	(345,144)	(345,144)	-
Transfer (to)/from Funds***	(3,452,220)	(2,827,576)	(624,644)
Surplus/(Deficit)****	(698,046)	-	(698,046)

* Includes personel budget for all Rate programs.

** Allocation of Personnel Expense to Wasterwater and Storm Sewer Programs.

***Allocation of Corporate Administrative expenses previously only partially allocated.

****Deficit funded from the Water Reserve.

Water sales are higher than budgeted, this favourable variance is offset by water purchases from the Niagara Region, and costs related to the repair of 42 watermains breaks during the year. The transfer of funds relates to the City's continued investment in capital.

Wastewater

Wastewater	Actual	Budget	Net
Revenue	9,702,753	9,442,500	260,253
Personnel Expense*	-	-	-
Operating Expense	(5,692,719)	(6,773,600)	1,080,881
Surplus before Transfers	4,010,034	2,668,900	1,341,134
Allocations: Within Departments**	(537,320)	(537,320)	-
Transfer from Reserves	834,063	834,063	-
Transfer to Reserves	(694,889)	(694,889)	-
Transfer (to)/from Funds***	(3,176,393)	(2,270,754)	(905,639)
Surplus/(Deficit)****	435,495	-	435,495

* Personnel budgeted in Water program.

** Allocation of Personnel Expense from Water program.

***Allocation of Corporate Administrative expenses previously only partially allocated.

****Surplus transferred to the Wastewater Reserve.

Wastewater surplus was driven by higher than budgeted revenue due to new connections and operating cost savings that include a reduction in Niagara Region wastewater charges (\$655,952) resulting from lower than anticipated flow to the wastewater plant. The low flows are a direct result of the City's efforts to reduce Inflow and Infiltration as well as low lake levels. The transfer of funds relates to the City's continued investment in capital.

Storm Sewer

Storm Sewer	Actual	Budget	Net
Revenue	2,715,465	2,741,300	(25,835)
Personnel Expense*	-	-	-
Operating Expense	(24,010)	(156,400)	132,390
Surplus before Transfers	2,691,454	2,584,900	106,554
Allocations: Within Departments**	(268,660)	(268,660)	-
Transfer from Reserves	190,298	190,298	-
Transfer to Reserves	-	-	-
Transfer (to)/from Funds***	(2,355,594)	(2,506,538)	150,944
Surplus/(Deficit)****	257,499	-	257,499

* Personel budgeted in Water program.

** Allocation of Personnel Expense from Water program.

***Allocation of Corporate Administrative expenses previously only partially allocated.

****Surplus transferred to the Storm Sewer Reserve.

Despite a shortfall in fixed charge revenue, staff managed spending and were able to end the year with a \$257,499 surplus.

Rate Reserve Balances and Forecast

Department	2025 Year End Balance	2026 Budget	2026 Forecast Balance
Wastewater	3,234,672	44,163	3,278,835
Water	66,952	750,500	817,452
Storm Sewer	877,937	463,891	1,341,828
Total	4,179,561	1,258,554	5,438,115

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Capital and Related Projects

Department	Open Projects January 1, 2025	Projects Approved In-year	Total Funding Available for 2025	2025 Projects Spending	Projects Closed 2025	Remaining Funds December 31, 2025
Facilities	1,596,878	2,475,000	4,071,878	(964,382)	(133,342)	2,974,153
Fleet and Equipment	2,538,097	40,000	2,578,097	(978,576)	(10,470)	1,589,051
Communications	27,991	-	27,991	(11,739)	-	16,252
Information Technology	2,047,371	250,000	2,297,371	(654,182)	(48,035)	1,595,154
Community Safety	811,190	200,000	1,011,190	(432,318)	(68,592)	510,280
Planning and Government Relations	1,518,723	1,624,844	3,143,566	(235,269)	(20,708)	2,887,589
Marina	107,232	-	107,232	(92,098)	472	15,606
Cemetery	125,000	-	125,000	-	-	125,000
Parks	2,710,268	-	2,710,268	(728,494)	-	1,981,774
Public Works	5,544,058	22,500,000	28,044,058	(18,009,150)	(80,228)	9,954,679
Transportation	5,063,130	280,000	5,343,130	(3,214,082)	(253,822)	1,875,226
Storm Sewer	2,268,045	-	2,268,045	(1,503,561)	(445,176)	319,308
Water	9,865,774	1,800,000	11,665,774	(8,462,745)	(23,017)	3,180,012
Wastewater	14,447,565	-	14,447,565	(5,697,336)	6,059	8,756,289
2026 Pre-Spending	-	-	-	(215,186)	-	(215,186)
Total	48,671,320	29,169,844	77,841,163	(41,199,117)	(1,076,860)	35,565,186

Capital and Related Projects

Department	Open Projects 2024 and Prior	New 2025 Budget Projects	Projects Approved In- year	Total Projects Open in 2025	Projects Completed/ Closed	Open Projects December 31, 2025
Facilities	12	7	3	22	(6)	16
Fleet and Equipment	2	3	-	5	(2)	3
Communications	2	-	-	2	-	2
Information Technology	7	4	-	11	(2)	9
Community Safety	2	1	1	4	(1)	3
Planning and Government Relations	6	6	8	20	(5)	15
Marina	2	-	1	3	(2)	1
Cemetery	1	1	-	2	-	2
Parks	2	4	-	6	-	6
Public Works - Other	5	-	2	7	(3)	4
Transportation	11	9	1	21	(9)	12
Storm Sewer	6	2	-	8	(4)	4
Water	6	1	2	9	(5)	4
Wastewater	6	3	-	9	(2)	7
2026 Pre-Spending	-	-	2	2	-	2
Total	70	41	20	131	(41)	90

2026 Capital Funding Recommendations

Daycare Project

- Replace \$500,000 of budgeted future debt funding with:
 - \$250,000 from the Capital Under/Over Reserve
 - \$250,000 from funding substitutions with grants
 - resulting from funding substitutions achieved through using unallocated Ontario Community Infrastructure Fund (OCIF) and Canada Community Building Fund (CCBF) funding

One-time City Hall Maintenance (new project)

- Maintenance required for Council Chambers and Committee Room 3
- Fund \$120,000 from the Capital Under/Over Reserve

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Reserves

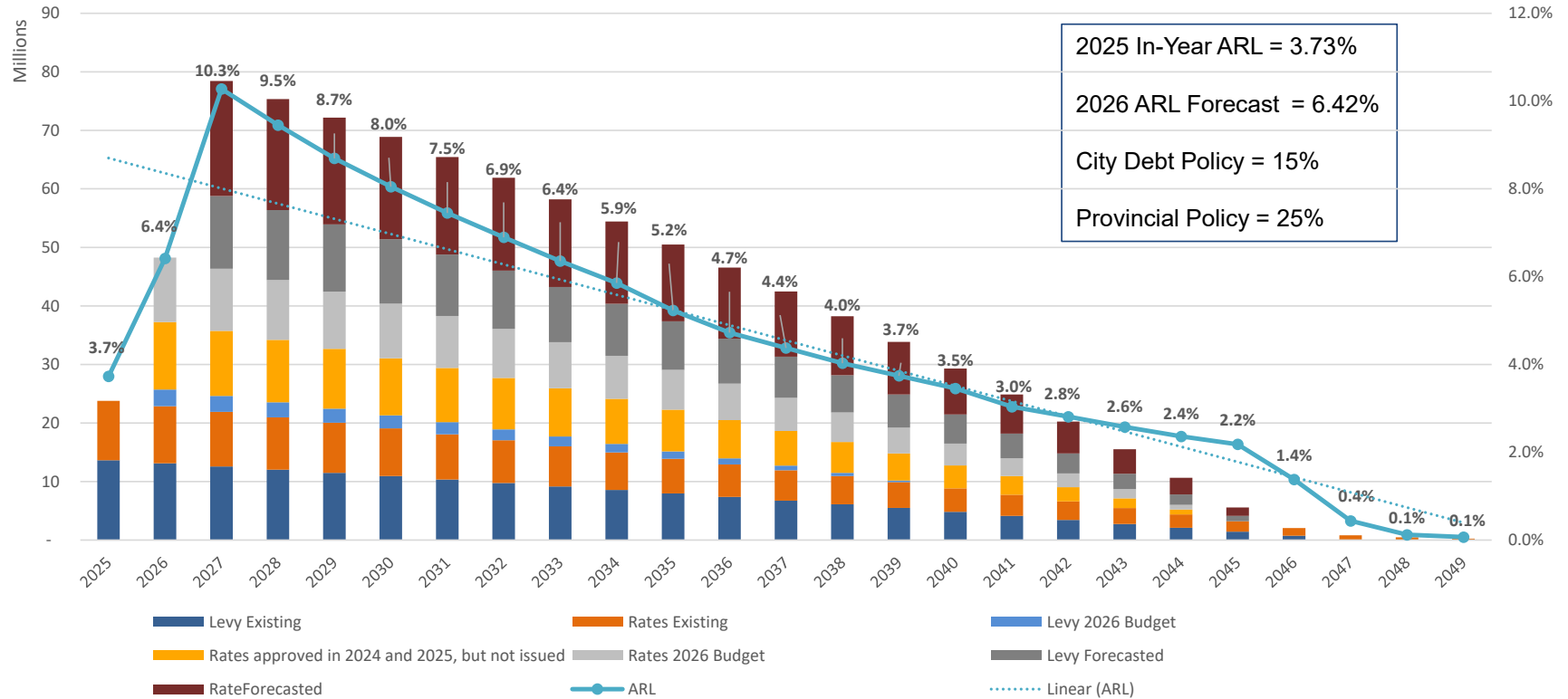
Reserve	2025 Beginning Balance	2025 Approved Budget		2025 Actual Transfers		Interest Allocation	Year-End Reserve Transfers to Approve	2025 Year-End Reserve Balance
		Operating	Capital	Operating	Capital			
Total Boards and Committees Reserves	1,327,346	-	(340,000)	54,790	(340,000)	6,028		1,048,164
Total Programs, Grants and Activities	502,389	50,000	-	196,434	-	-		698,823
Total Self-Sustaining Entities	(58,476)	202,400	-	539,693	-	(49,944)		431,273
Total General Government	9,668,419	970,400	(1,060,000)	749,495	(653,000)	74,013	142,820	9,981,748
Total Capital	7,668,179	(176,455)	(2,778,863)	2,267,685	(1,426,766)	362,908	312,551	9,184,556
Total Reserves before WIP	19,107,858	1,046,345	(4,178,863)	3,808,098	(2,419,766)	393,004	455,371	21,344,565
Capital Work-in-progress (WIP)	7,561,630		(7,796,464)		(20,572,696)			(13,011,065)
Capital Under/Over Reserve	234,833		(89,844)		198,903			433,736
Library Capital Work-in-progress (WIP)	39,148		(39,148)		(39,148)			-
Library Capital Under/Over Reserve	62,711		-		20,320			83,030
Total Reserves	27,006,180	1,046,345	(12,104,319)	3,808,098	(22,812,387)	393,004	455,371	8,850,266

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Debt Position and Outlook

Debt Position and Outlook is from 2026 budget. The City is actively pursuing a Municipal Service Corporation (MSC) for Water and Wastewater. An update to the Debt Position and Outlook will accompany further MSC discussions.



New Debt in 2026 is included in the 2026 budget; forecasted debt in 2027 relates to future projects related to East Side Employment Lands, Canal Crossing, Marina District/Sugarloaf and Lockview District subject to separate and future approval by Council. Forecasted debts through planned future Municipal Service Corporation are unconsolidated.

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Thank You